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Center for Tax and Budget Accountability Releases New Report Analyzing FY2016 General Fund Spending in Illinois

"Illinois on Autopilot, the Reality of FY2016" finds that, despite not having a budget for FY2016, the state will spend \$34 billion this year and exceed projected revenue by \$1.9 billion

CHICAGO – Today, the Center for Tax and Budget Accountability (CTBA) released a new report, *Illinois on Autopilot, the Reality of FY2016*, which provides a detailed analysis of FY2016 General Fund spending in Illinois. CTBA's report finds that even though there is no budget in place, the Illinois General Fund will spend \$34 billion this fiscal year, meaning nearly 90 percent of state spending is on "autopilot."

"By failing to pass a General Fund budget for FY2016, elected officials are basically punting their responsibilities to make decisions about how to allocate resources among core services like higher education, healthcare, human services, and public safety," said CTBA Executive Director, Ralph Martire. "Elected officials are also not identifying which of those services will be cut or by how much, despite their high priority; or working to raise the tax revenue needed to fund those core services to the amounts needed to satisfy demographically driven demand."

According to CTBA's report, most of the \$34 billion in spending is due to either mandated expenditures—"Hard Costs" like debt service and pension payments, which neither the General Assembly nor the Governor have the discretion to reduce or eliminate—or required spending due to court orders—like healthcare which is tied to consent decrees, and administrative decisions, like Governor Bruce Rauner's decision to continue to pay state employees despite the budget impasse.

"Even without an approved FY2016 budget, the state is on pace to spend more money than it receives this year," said Bobby Otter, CTBA's Budget Director. "Our analysis finds that, even without a formal budget, expenditures exceed projected FY2016 revenue by \$1.9 billion."

Under the autopilot, higher education will be automatically zeroed-out and hence cut by \$1.991 billion from FY2015 levels. If such a scenario were to occur, over 130,000 low- and middle-income students who received a Monetary Assistance Program scholarship to help them afford college last year, will lose financial assistance in FY2016.

CTBA's report also finds that \$34 billion in autopilot spending does not include \$1.5 billion needed to cover human services that were provided in FY2016. Thus, a number of the state's most vulnerable citizens are being hurt by the impasse.

"In FY2016, \$3.5 billion of core services spending stands to be cut from FY2015 levels, with no elected official going on record to vote for those cuts, and indeed no public justification being offered for such cuts," said Martire. "Important human services ranging from after school to mental and behavior health programs will not be funded."

The full report can be found online at CTBA's website: www.ctbaonline.org or clicking here.

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The Center for Tax and Budget Accountability, established in 2000, is a bi-partisan 501(c)(3) research and advocacy think tank that promotes fair, efficient and progressive tax, spending and economic policies.